

## Message Text

CONFIDENTIAL

PAGE 01 BUDAPE 02460 281708 Z

46

ACTION EUR-25

INFO OCT-01 ADP-00 EURE-00 EA-11 IO-13 CIAE-00 DODE-00

PM-07 H-02 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01

PRS-01 SS-15 USIA-12 AID-20 CEA-02 COME-00 EB-11

FRB-02 CIEP-02 STR-08 TRSE-00 LAB-06 SIL-01 OMB-01

NIC-01 SAJ-01 RSR-01 /170 W  
----- 076636

P R 281603 Z JUN 73

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC PRIORITY 9783

INFO AMEMBASSY BELGRADE

AMEMBASSY BONN

AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMCONSUL MUNICH

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARAAW

USMISSION BERLIN

USMISSION NATO

C O N F I D E N T I A L BUDAPEST 2460

E. O. 11652: GDS

TAGS: ECON HU PINT PGOV

SUBJECT: JUNE 27 HSWP CENTRAL COMMITTEE MEETING

REF: BUDAPEST 2406

1. SUMMARY . COMMUNIQUE OF JUNE 27 CC MEETING SHORT BUT UNUSUALLY MEATY. IN ADDITION TO MODERATE STATEMENTS ON VIETNAM, POINTS OF INTEREST ARE CEMA- EC RELATIONS, CHANGES IN ORGANIZATION OF ECONOMY, PERSONNEL CHANGES IN PARTY AND GOVERNMENT. END SUMMARY.

2. FOLLOWING POSITIVE DISCUSSION OF INTERNATIONAL  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUDAPE 02460 281708 Z

SITUATION, HEADED BY BREZHNEV VISIT TO US, COMMUNIQUE TURNS TO ECONOMIC MATTERS. IN CONNECTION BRIEF DISCUSSION RECENT CEMA MEETING IN PRAGUE, POINTS OUT THAT FAVORABLE INTERNATIONAL CLIMATE HAS CREATED CONDITIONS FOR FURTHER DEVELOPMENT OF ECONOMIC RELATIONS BETWEEN SOCIALIST AND CAPITALIST COUNTRIES. IN COURSE OF THIS DEVELOPMENT, IT CONTINUES, " CONDITIONS CAN BE CREATED FOR ESTABLISHMENT OF RELATIONS BETWEEN CEMA AND COMMON MARKET".

3. COMMUNIQUE CALLS FOR REORGANIZATION OF GUIDING BODIES IN PARTY AND STATE TO ACHIEVE GREATER REALIZATION OF ECONOMIC PRINCIPLES AND ALSO GREATER CONTROL. AS RESULT CC ECONOMIC POLICY COMMITTEE PERSONNEL AND SPHERE OF ACTIVITY WILL BE REORGANIZED TO HAVE A LARGER ROLE IN FORMULATION OF ECONOMIC POLICY AND IN APPLICATION OF POLICY AT LOCAL AND COUNTRY LEVELS. IN ADDITION A NEW " LOCAL ECONOMIC DEVELOPMENT SECTION" WILL BE ESTABLISHED IN CC APPARATUS ALONGSIDE EXISTING ECONOMIC POLICY SECTION.

4. COMMUNIQUE ALSO DISCUSSES ACTIVITY A NEW STATE PLANNING COMMITTEE NOW IN PROCESS OF BEING CREATED. ITS TASK, AS DESCRIBED BY COMMUNIQUE, IS TO COORDINATE PLANNING WORK OF EXISTING STATE PLANNING OFFICE, MINISTRIES, AND OTHER AGENCIES.

5. COMMUNIQUE ALSO REPORTS DECISIONS MADE ON PARTY PERSONNEL QUESTIONS AND THAT RECOMMENDATIONS FOR PERSONNEL CHANGES ON STATE SIDE ALSO WORKED OUT.

6. COMMENT: REORGANIZATION OF PARTY ECONOMIC ORGANS, APPEARS DESIGNED TO BRING MORE ECONOMIC EXPERTISE TO BEAR ON PARTY POLICY AND BETTER TREATMENT OF LOCAL ECONOMIC PROBLEMS. CHIEF LOSERS, AT FIRST GLANCE, WOULD SEEM TO BE COUNTY PARTY FIRST SECRETARIES. COMMUNIQUE GIVES NO INDICATION HOW FIRST SECRETARIES ARE TO WORK WITH NEW LOCAL DEVELOPMENT SECTION. NOT CLEAR HOW THESE CHANGES BEAR ON THOSE MENTIONED BY FINANCE MINISTER FALUVEGI IN PARLIAMENT ( REF).

7. A GOOD DEAL WILL DEPEND ON PERSONNEL DECISIONS MADE AT JUNE 27 MEETING. IN ADDITION TO CHANGES IN APPARATUS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUDAPE 02460 281708 Z

AND ECONOMIC POLICY COMMITTEE, THERE MAY BE AT LEAST ONE AT TOP. THIS WOULD BE ARPAD PULLAI ( WHO AGAIN GAVE THE INTERNATIONAL AFFAIRS REPORT AT THE MEETING) TAKING OVER ZOLTAN KOMOC SIN' S SPOT IN POLITBURO. DESPITE RECURRING RUMORS, WE DO NOT BELIEVE CHANGES INVOLVE KADAR WHO IS SLATED TO VISIT YUGOSLAVIA SECOND WEEK IN JULY. A NUMBER OF MINISTRIES AND/ OR DEPUTY PREMIERSHIPS WILL APPARENTLY

WITNESS CHANGES. FOR EXAMPLE, IT HAS BEEN RUMORED  
MINISTERS CSANADI AND DIMENY WILL RETIRE AND THAT DEPUTY  
PREMIER TIMAR WHO IS TIRED OF POLITICS WILL RETURN TO  
UNIVERSITY LIFE. IF HE GOES, HE MIGHT BE REPLACED BY  
FALUVEGI.

8. WE ASSUME ALSO THAT SOMEONE'S NAME HAS BEEN NAILED  
TO MASTHEAD OF NEW STATE PLANNING COMMITTEE. WE HAD HEARD  
THAT THIS MIGHT BE TIMAR. MORE WE LEARN ABOUT IT FROM HUNGARIANS,  
MORE COMMITTEE LOOKS LIKE A SOVIET GOSPLAN-  
TYPE BODY.

9. FOR AT LEAST A YEAR THERE HAVE BEEN INSISTENT RUMORS  
ABOUT HIGH LEVEL PERSONNEL CHANGES OF ALL TYPES AND COLORS.  
APPARENTLY, PARTY FEELS THAT IN IMMEDIATE AFTERMATH OF  
BREZHNEV'S SUCCESSFUL VISIT TO US AND WITH PLACID INTERNAL  
SCENE, TIME COULD NOT BE MORE PROPITIOUS FOR CHANGE.

10. WE PRESEUM THAT HUNGARIAN PARTY CALL FOR CEMA- EC  
CONTACTS REFLECTS DECISION TAKEN RECENT PRAGUE CEMA MEETING  
SINCE HSWP UNLIKELY TO UNDERTAKE THIS ON OWN HOOK.  
PUHAN

CONFIDENTIAL

NNNNMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 JUN 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973BUDAPE02460  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** n/a  
**Film Number:** n/a  
**From:** BUDAPEST  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730632/aaaajten.tel  
**Line Count:** 142  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 BUDAPEST 2406  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 13 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <13-Aug-2001 by shawdg>; APPROVED <14-Sep-2001 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> srp 980304  
**Subject:** JUNE 27 HSWP CENTRAL COMMITTEE MEETING  
**TAGS:** ECON, PGOV, PINT, HU  
**To:** EUR  
SECSTATE WASHDC INFO BELGRADE  
BONN  
BUCHAREST  
MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

